

## Message Text

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12

ACTION FMC-04

INFO OCT-01 NEA-10 ADP-00 EB-11 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 CG-00 COA-02 L-03 LAB-06 SIL-01

FAA-00 DOTE-00 RSR-01 /050 W  
----- 106211

R 151215 Z JUN 73

FM AMCONSUL KARACHI

TO SECSTATE WASHDC 7278

INFO AMEMBASSY ISLAMABAD

AMCONSUL LAHORE

AMEMBASSY KABUL

AMCONSUL BOMBAY

AMEMBASSY ANKARA

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ANKARA FOR REGIONAL LABOR ATTACHE

E. O. 11652: ADS - 12/31/73

TAGS: ETRN PK

SUBJECT: PORT DETENTION SURCHARGE -- KARACHI, PAKISTAN

REF: STATE 109090 ( REPEATED INFO ISLAMABAD AND LAHORE)

SUMMARY. CONGESTION AT KARACHI PORT ABOUT HALF WHAT IT WAS WHEN IT PEAKED IN DECEMBER 1972. BOTH PORT AUTHORITIES AND STEVEDORING COMPANIES AGREE THAT EVEN PRESENT MODERATE LEVEL OF CONGESTION COULD BE IMPROVED IF DOCK WORKERS, WHO HAVE ALLEGEDLY BEEN ENGAGING IN GO-SLOW TACTICS FOR NEARLY ONE YEAR, ACCEPT INTRODUCTION OF PROPOSED PIECEWORK SYSTEM OF CARGO LOADING AND UNLOADING. END SUMMARY.

1. REFTEL REQUESTED REPORT ON PRESENT PORT CONDITIONS AT KARACHI TO ALLOW FEDERAL MARITIME COMMISSION EVALUATE NEED FOR SHIPPING CONFERENCE SURCHARGE.

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2. AS OF JUNE 15, TWELVE SHIPS WERE AWAITING BERTHS AT KARACHI -- INCLUDING FOUR GENERAL CARGO VESSELS. LONGEST DELAY (23 DAYS) WAS BEING EXPERIENCED BY SHIP CARRYING SCRAP. BY CONTRAST AS MANY AS 27 VESSELS WERE OFF PORT AT ONE TIME IN DECEMBER 1972 -- WITH 12 OF THOSE CARRYING GENERAL CARGO. IN THOROUGH REVIEW OF EXISTING STATE OF AFFAIRS JUNE 15, GOP DIRECTOR OF PORZS ( CAPTAIN L. JACKSON, PAKISTAN NATIONAL OF BRITISH DESCENT) TOLD CONGENOFF THAT ALTHOUGH CONGESTION IS A SERIOUS PROBLEM, IT HAD BEEN SHOWING REASONABLY STEADY IMPROVEMENT SINCE DECEMBER 1972 WHEN IT WAS AT ITS WORST. HE FELT THAT A FAIR ESTIMATE WOULD BE THAT CONGESTION IS NOW ROUGHLY HALF WHAT IZ WAS THEN.

3. JACKSON FIRMLY STATED THAT PORT PERFORMANCE HAD ALREADY IMPROVED TO POINT THAT EXISTING FREIGHT CONFERENCE SURCHARGES WERE NO LONGER JUSTIFIED. HE ACKNOWLEDGED NUMBER OF PHYSICAL CONSTRAINTS ON PORT NOT RPT NOT LIKELY TO BE RELAXED IN COMING YEAR, NAMELY HIGH LEVEL OF IMPORTS OF WHEAT AND FERTILIZERS, HIGH LEVEL OF EXPORTS OF RAW COTTON AND COTTON TEXTILES AND THE INCAPACITY OF THE PAKISTAN WESTERN RAILWAY SYSTEM TO MOVE MORE THAN 750 RAILCARS PER DAY IN AND OUT OF PORT. HE ADDED THAT THERE WAS, HOWEVER, ONE LIMITING FACTOR WHICH MIGHT BE AMENABLE TO IMPROVEMENT- NAMELY, LABOR PRODUCTIVITY. HE ACKNOWLEDGED THAT STEVEDORE PRODUCTIVITY BEGAN TO FALL OFF DRAMATICALLY AT THE CONCLUSION OF THE INDO- PAK WAR EIGHTEEN MONTHS AGO. ESTABLISHMENT OF PORT LABOR BOARD IN DECEMBER 1972 HAD EASED PROBLEM SLIGHTLY BUT, PENDING ENACTMENT OF ENABLING LEGISLATION, BOARD HAS NO COERCIVE POWERS.

4. PORT DIRECTOR'S ASSESSMENT SOMEWHAT LESS OPTIMISTIC THAN JUNE 3, 1973 LETTER FROM SECRETARY TO KARACHI PORT TRUST ( KPT) PUBLISHED IN DAWN ( KARACHI DAILY NEWSPAPER). THIS LETTER ASSERTED THAT ADMITTEDLY SERIOUS LABOR PROBLEMS HAD ENDED WITH CREATION OF PORT LABOR BOARD IN DECEMBER 1972. PORT HAD SUBSEQUENTLY BEEN WORKING AT CLOSE TO ITS THEORETICAL CAPACITY OF 5.3 MILLION TONS OF CARGO/ YEAR. LETTER ALSO CLAIMED THAT THROUGHOUT 1973 " THE NUMBER OF SHIP ARRIVALS PER DAY HAS BEEN THE HIGHEST EVER EXPERIENCED IN THE HISTORY OF KARACHI PORT."

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5. STEVEDORING AND SHIPPING COMPANIES HAVE PROTESTED FACTUAL ACCURACY OF JUNE 3 LETTER TO EDITOR. NUMBER OF THEIR REPS HAVE TOLD CONGENOFF THAT LABOR SLOWDOWN AS BAD NOW AS AT ANY PERIOD IN LATTER HALF OF 1972. THEY CLAIM THAT EVEN HIGH PRIORITY CARGOES BEING UNLOADED 50-60 PERCENT MORE SLOWLY THAN IN EARLIER YEARS. E. G. AVERAGE STEVEDORE GANG

WHICH USED TO UNLOAD 2400 TONS FERTILIZER/ DAY NOW DOES WELL  
TO UNLOAD 1000 TONS/ DAY. STEVEDORING AND SHIPPING  
COMPANIES ARE, HOWEVER, HOPEFUL THAT NEGOTIATIONS PRESENTLY  
UNDERWAY BETWEEN THEMSELVES, DOCK LABOR UNIONS, KPT AND  
GOP MINISTRY OF LABOR TO INTRODUCE MODIFIED PIECEWORK  
SYSTEM FOR CARGO HANDLING MAY LEAD TO END OF LABOR SLOWDOWN.

6. OFFICIALS OF INTERNATIONAL AIRLINES SERVING KARACHI  
HAVE NOTED DRAMATIC INCREASE DURING PAST YEAR OF AIR- FREIGHT  
SHIPMENTS FROM KARACHI TO GULF STATES AND EUROPE. SOME  
OF THEM CLAIM THIS INCREASE DUE IN LARGE MEASURE TO  
PORT CONGESTION. AS BOAC STATION MANAGER PUT IT: WHY ELSE  
WOULD WE BE AIRFREIGHTING A COMMODITY LIKE COTTON YARN?

7. PLANS GOING FORWARD FOR SECOND PORT IN KARACHI ( NOT  
LIKELY TO BE IN OPERATION BEFORE 1978) INDICATE GOP AWARE  
THAT PRESENT PORT FACILITIES UNDER STRAIN. CONTINUED UPSWING  
IN PAKISTAN ECONOMY WILL PREDICTABLY BE ACCOMPANIED BY HIGH  
LEVEL OF BOTH IMPORTS AND EXPORTS. ACCORDING SHIPPING  
AND STEVEDORING COMPANIES KARACHI PORT CAN, IN THEORY,  
HANDLE THIS INCREASING VOLUME OF BUSINESS UNTIL NEW  
PORT IS READY PROVIDED LABOR WILLING PERFORM AT LEVELS  
CUSTOMARY BEFORE GO- SLOW TACTICS.  
TIGER

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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**TAGS:** ETRN, PK, ETRN  
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